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PART II—Section 2

प्राधिकार से प्रकाशित

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No. 39]

NEW DELHI, WEDNESDAY, AUGUST 20, 1986/SRAVANA 29, 1908

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन
के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed
as a separate compilation

LOK SABHA

The following Bills were introduced in Lok Sabha on the 20th August, 1986:—

BILL No. 101 of 1986

A Bill to make more effective provision for the fire prevention and fire safety measures in certain buildings and premises in the Union territory of Delhi.

Be it enacted by Parliament in the Thirty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Delhi Fire Prevention and Fire Safety Act, 1986.

(2) It extends to the whole of the Union territory of Delhi.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

(a) "Administrator" means the Administrator of Delhi appointed by the President under article 239 of the Constitution;

(b) "Appellate Tribunal" means the Appellate Tribunal constituted under section 347A of the Delhi Municipal Corporation Act, 1957;

(c) "building" means a house, outhouse, stable, latrine, urinal, shed, hut, wall (other than a boundary wall) or any other structure, whether of masonry, bricks, wood, mud, metal or other material;

(d) "building bye-laws" means the bye-laws made under section 282 of the Cantonments Act, 1924 or the bye-laws made under section

Short
title, ex-
tent and
commence-
ment.

Defini-
tions.

66 of 1957.

2 of 1924.

481 of the Delhi Municipal Corporation Act, 1957 or the bye-laws made under section 188, sub-section (3) of section 189 and sub-section (1) of section 190 of the Punjab Municipal Act, 1911, as in force in New Delhi or the regulations made under sub-section (1) of section 57 of the Delhi Development Act, 1957, relating to buildings;

66 of 1957.

Punjab
Act III
of 1911.
61 of 1957.

(e) "Chief Fire Officer" means the Chief Fire Officer appointed by the Municipal Corporation of Delhi established under the Delhi Municipal Corporation Act, 1957;

66 of 1957.

(f) "Delhi" means the Union territory of Delhi;

(g) "fire prevention and fire safety measures" means such measures as are necessary in accordance with the building bye-laws for the prevention, control and fighting of fire and for ensuring the safety of life and property in case of fire;

(h) "local authority" means the Delhi Cantonment Board established under the Cantonments Act, 1924, the Delhi Development Authority established under the Delhi Development Act, 1957, the Delhi Municipal Corporation established under the Delhi Municipal Corporation Act, 1957, the New Delhi Municipal Committee established under the Punjab Municipal Act, 1911, as in force in New Delhi or any other authority under any other law, which may be notified in this behalf by the Administrator with the prior approval of the Central Government;

2 of 1924.
61 of 1957.

66 of 1957.
Punjab
Act III
of 1911.

(i) "nominated authority" means an officer not below the rank of a Station Officer nominated by the Chief Fire Officer, and includes an officer nominated by a local authority or a railway administration as a nominated authority for the purposes of this Act;

(j) "occupier" includes—

(i) any person who for the time being is paying or is liable to pay to the owner the rent or any portion of the rent of the land or building in respect of which such rent is paid or is payable;

(ii) an owner in occupation of, or otherwise using his land or building;

(iii) a rent-free tenant of any land or building;

(iv) a licensee in occupation of any land or building; and

(v) any person who is liable to pay to the owner damages for the use and occupation of any land or building;

(k) "owner" includes a person who for the time being is receiving or is entitled to receive, the rent of any land or building whether on his own account or on account of himself and others or as an agent, trustee, guardian or receiver or any other person or who should so receive the rent or be entitled to receive it if the land or building or part thereof were let to a tenant and also includes—

(i) the custodian of evacuee property in respect of evacuee property vested in him under the Administration of Evacuee Property Act, 1950;

31 of 1950.

(ii) the Director of Estates of the Government of India, the Secretary of the Delhi Development Authority, constituted under the Delhi Development Act, 1957, the general manager of a

61 of 1957.

railway and the head of a Government department, in respect of properties under their respective control;

(1) "premises" means any land or any building or part of a building appurtenant thereto which is used for storing explosives, explosive substances and dangerously inflammable substances.

Explanation.—In this clause, "explosive", "explosive substances" and "dangerously inflammable substances" shall have the meanings, respectively, assigned to them in the Explosives Act, 1884, the Explosive Substances Act, 1908 and the Inflammable Substances Act, 1952.

4 of 1884.

6 of 1908.

20 of 1952.

3. (1) The nominated authority may, after giving three hours' notice to the occupier, or, if there be no occupier, to the owner of any building having such height as may be specified by rules framed under this Act, or premises, enter and inspect the said building or premises at any time between sunrise and sunset where such inspection appears necessary for ascertaining the adequacy or contravention of fire prevention and fire safety measures:

Inspection
of build-
ings, pre-
mises, etc.

Provided that the nominated authority may enter into and inspect any building or premises at any time if it appears to it to be expedient and necessary to do so in order to ensure safety of life and property.

(2) The nominated authority shall be provided with all possible assistance by the owner or occupier, as the case may be, of the building or premises for carrying out the inspection under sub-section (1).

(3) When any building or premises used as a human dwelling is entered under sub-section (1), due regard shall be paid to the social and religious sentiments of the occupiers; and, before any apartment in the actual occupancy of any woman, who according to the custom does not appear in public, is entered under sub-section (1), notice shall be given to her that she is at liberty to withdraw, and every reasonable facility shall be afforded to her for withdrawing.

4. (1) The nominated authority shall, after the completion of the inspection of the building or premises under section 3, record its views on the deviations from, or the contraventions of, the building bye-laws with regard to the fire prevention and fire safety measures and the inadequacy of such measures provided therein with reference to the height of the building or the nature of activities carried on in such building or premises and issue a notice to the owner or occupier of such building or premises directing him to undertake such measures as may be specified in the notice.

Measures
for fire
prevention
and fire
safety.

(2) The nominated authority shall also give a report of any inspection made by it under section 3 to the Chief Fire Officer.

5. (1) Where, on receipt of a report from the nominated authority under sub-section (2) of section 4, it appears to the Chief Fire Officer that the condition of any building or premises is dangerous to life or property, he shall, without prejudice to any action taken under section 7 by order, require the persons in possession or occupation of such building or premises to remove themselves from such building or premises forthwith.

Power to
seal
buildings
or pre-
mises.

(2) If an order made by the Chief Fire Officer under sub-section (1) is not complied with, the Chief Fire Officer may direct any police officer having jurisdiction in the area to remove such persons from the building or premises and such officer shall comply with such directions.

(3) After the removal of the persons under sub-section (1) or sub-section (2), as the case may be, the Chief Fire Officer shall seal the building or premises.

(4) No person shall remove such seal except under an order made by the Chief Fire Officer.

Provision
regarding
certain
buildings
and pre-
mises.

6. (1) Notwithstanding anything contained in any other law for the time being, in force, the Chief Fire Officer may enter and inspect any building, the construction of which was completed on or before the 6th day of June, 1983 (being the date on which the current building bye-laws had come into force) or any building which was under construction on such date if such inspection appears necessary for ascertaining the adequacy of fire prevention and fire safety measures in such building.

(2) The entry and inspection under sub-section (1) shall be done by the Chief Fire Officer in the manner laid down in section 3.

(3) The Chief Fire Officer shall, after inspection of the building or premises under sub-section (1), and after taking into consideration—

(i) the provisions of the building bye-laws in accordance with which the plan of the said building or premises was sanctioned;

(ii) the conditions imposed, if any, by the local authority at the time of the sanction of the plan of the said building or premises; and

(iii) the minimum standards for fire prevention and fire safety measures specified for such building or premises as may be specified by rules framed under this Act,

issue a notice to the owner or occupier of such building or premises stating therein the inadequacy in regard to the fire prevention and fire safety measures in it and direct the owner or occupier to undertake measures for rectifying the said inadequacy within such period as he may consider just and reasonable.

Default
powers
of the
Chief
Fire
Officer.

7. (1) The Chief Fire Officer shall, in the event of non-compliance of any notice issued under section 4 or section 6, take such steps as may be necessary for the compliance of such notice.

(2) All expenses incurred by the Chief Fire Officer in relation to any steps taken by him under sub-section (1) shall be payable by the owner or occupier on demand and shall, if not paid within ten days after such demand, be recoverable as arrears of land revenue.

Appeals.

8. (1) Any person aggrieved by any notice or order of the nominated authority or the Chief Fire Officer may prefer an appeal against such notice or order to the Appellate Tribunal within thirty days from the date of the notice or order appealed against:

Provided that the Appellate Tribunal may entertain an appeal after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing it within that period.

(2) An appeal shall lie to the Administrator against the order of the Appellate Tribunal confirming, modifying or annulling a notice or an order issued or made under this Act within thirty days from the date of the order of the Appellate Tribunal:

Provided that the Administrator may entertain an appeal after the expiry of the said period of thirty days if he is satisfied that there was sufficient cause for not filing it within that period.

(3) An appeal to the Appellate Tribunal or the Administrator shall be made in such form and shall be accompanied by a copy of the notice or order appealed against and by such fees as may be specified by rules framed under this Act.

66 of 1957.

(4) The provisions of section 347C of the Delhi Municipal Corporation Act, 1957, and the rules made thereunder, shall, so far as may be, apply to the disposal of an appeal under this section as they apply to the disposal of an appeal under that Act.

9. No court shall entertain any suit, application or other proceeding in respect of any notice or order under this Act and no such notice or order shall be called in question otherwise than by preferring an appeal under this Act.

Bar of jurisdiction of courts.

10. Whoever contravenes any provision of this Act shall, without prejudice to any other action taken against him under section 7, be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to fifty thousand rupees, or with both and where the offence is a continuing one, with a further fine which may extend to three thousand rupees for every day after the first during which such offence continues.

Penalties.

11. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Offences by companies.

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means a body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

12. No court shall proceed to the trial of an offence under this Act, except on the complaint of, or upon information received from, the nominated authority.

Sanction of prosecution.

13. No court inferior to that of a Metropolitan Magistrate shall try an offence punishable under this Act.

Jurisdiction.

Protection
of action
taken in
good faith.

14. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act or any rules made thereunder.

Officer to
be public
servant.

15. Every officer acting under the provisions of this Act shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

45 of 1860.

Power to
make
rules.

16. (1) The Administrator may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the height of the building under sub-section (1) of section 3;

(b) the minimum standards for fire prevention and fire safety measures for the purposes of clause (iii) of sub-section (3) of section 6;

(c) the form in which an appeal shall be made and the fees that shall accompany such appeal under sub-section (3) of section 8;

(d) any other matter which is required to be, or may be, provided by rules.

(3) The Central Government shall cause every rule made under this Act to be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

The Delhi Fire Brigade, which is controlled by the Delhi Municipal Corporation, is responsible for taking fire-fighting and fire safety measures in the entire Union territory of Delhi. The existing provisions in the Delhi Municipal Corporation Act, 1957, to enforce the fire safety measures, particularly in multi-storey buildings, had been found to be most inadequate in the absence of the necessary statutory authority for the fire prevention enforcement agencies to compel the owners of buildings to carry out the necessary measures for prevention of fires. No specific penalties are provided in the Act for the contravention of any fire safety measures and such penalties are also not adequate enough to effectively curb the violations of the fire prevention measures provided under the Act. It has also been found that the owners of buildings do not provide the necessary fire safety measures in buildings as required by the building plans approved by local authorities. Although the Delhi Fire Brigade exercises jurisdiction over the entire Union territory of Delhi, the four local authorities existing in the Union territory of Delhi are governed by their own respective laws and there is no unified single agency which is clothed with the necessary powers to coordinate the fire prevention, fighting or safety measures. In view of this position, it is felt that in order to effectively control the fires occurring in the Union territory of Delhi and to take necessary safety measures for the prevention of such fires, it is necessary to provide for fire prevention and fire safety measures in the Union territory of Delhi.

2. The Bill, accordingly, provides for the following, among other matters, namely:—

(i) All buildings having such height as may be specified by rules and premises used for storing explosives, explosive substances and dangerously inflammable substances, shall be provided with the requisite fire prevention and fire safety measures,

(ii) Provision has been made for inspection of buildings and premises by the nominated authority, appointed by the Chief Fire Officer, for ascertaining the adequacy or contravention of fire prevention and fire safety measures required to be taken by the occupier or owner of the building or premises.

(iii) Contravention of any of the provisions of the Bill will be punishable with imprisonment for a term which may extend to six months, or with fine extending to fifty thousand rupees, or with both. In the case of continuing offences, the offender will be liable for punishment of fine up to three thousand rupees for every day for which the offence is continued.

(iv) Provision for an appeal against any notice or order of the Chief Fire Officer or the nominated authority to the Appellate Tribunal and against the order of the Appellate Tribunal to the Administrator has been proposed.

3. The Bill seeks to achieve the above objects.

NEW DELHI;

ARUN NEHRU.

The 12th August, 1966.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 16 of the Bill empowers the Administrator to make rules for carrying out the provisions of the Bill. The matters with respect to which rules may be made relate to the height of the building, the minimum standards for fire prevention and fire safety measures, the form in which an appeal is made, the fees payable in respect of such appeal and any other matter which is required to be, or may be, provided by rules.

2. The matters in relation to which the power to make rules is proposed to be conferred on the Administrator are matters of procedure and administrative detail. The delegation of legislative power is, therefore, of a normal character.

BILL No. 102 of 1986

A Bill further to amend the Income-tax Act, 1961, the Wealth-tax Act, 1957, the Gift-tax Act, 1958 and to provide for exemption to a Government company from income-tax and surtax for a specified period.

BE it enacted by Parliament in the Thirty-seventh Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Taxation Laws (Amendment and Miscellaneous Provisions) Act, 1986.

Short
title
and com-
mencement.

(2) Save as otherwise provided in this Act, it shall come into force at once.

CHAPTER II

AMENDMENTS TO THE INCOME-TAX ACT, 1961

Amend-
ment of
section 2

2. In section 2 of the Income-tax Act, 1961 (hereafter in this Chapter referred to as the Income-tax Act), after clause (10), the following clause shall be inserted with effect from the 1st day of April, 1988, namely:—

43 of 1961.

“(11) “block of assets” means a group of assets falling within a class of assets, being buildings, machinery, plant or furniture, in respect of which the same percentage of depreciation is prescribed;”.

Amend-
ment of
section 10.

3. In section 10 of the Income-tax Act, for clause (17), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1986, namely:—

“(17) any income by way of—

(i) daily allowance received by any person by reason of his membership of Parliament or of any State Legislature or of any Committee thereof; and

(ii) all other allowances not exceeding rupees twelve hundred and fifty per month in the aggregate received by any person by reason of his membership of Parliament or of any Committee thereof, or all other allowances not exceeding rupees six hundred per month in the aggregate received by any person by reason of his membership of any State Legislature or any Committee thereof, which the Central Government may, by notification in the Official Gazette, specify in this behalf;”.

Amend-
ment of
section
10A.

4. In section 10A of the Income-tax Act, with effect from the 1st day of April, 1987,—

(a) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) The profits and gains referred to in sub-section (1) shall not be included in the total income of the assessee in respect of any five consecutive assessment years, falling within a period of eight years beginning with the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles or things, specified by the assessee at his option:

Provided that nothing in this sub-section shall be construed to extend the aforesaid five assessment years to cover any period after the expiry of the said period of eight years.”;

(b) in sub-section (7), the words “for the initial assessment year” shall be omitted;

(c) in the *Explanation* occurring at the end, for clause (ii), the following clause shall be substituted, namely:—

“(ii) “relevant assessment years” means the five consecutive assessment years specified by the assessee at his option under sub-section (3).”.

5. In section 32 of the Income-tax Act, with effect from the 1st day of April, 1988,—

Amend-
ment of
section 32.

(1) in sub-section (1),—

(a) clause (i) shall be omitted;

(b) in clause (ii),—

(i) for the opening paragraph, the following shall be substituted, namely:—

“in the case of any block of assets, such percentage on the written down value thereof as may be prescribed.”;

(ii) in the second proviso, the words, brackets and figures “or clause (iii)” shall be omitted;

(iii) after the second proviso, the following *Explanations* shall be inserted, namely:—

Explanation 1.—Where the business or profession of the assessee is carried on in a building not owned by him but in respect of which the assessee holds a lease or other right of occupancy and any capital expenditure is incurred by the assessee for the purposes of the business or profession on the construction of any structure or doing of any work in or in relation to, and by way of renovation or extension of, or improvement to, the building, then, the provisions of this clause shall apply as if the said structure or work is a building owned by the assessee.

Explanation 2.—For the purposes of this clause “written down value of the block of assets” shall have the same meaning as in clause (c) of sub-section (6) of section 43;.

(c) clauses (iia), (iii), (iv), (v) and (vi) shall be omitted;

(2) sub-section (1A) shall be omitted;

(3) in sub-section (2), for the words, brackets, figures and letters “under clause (i) or clause (ii) or clause (iia) or clause (iv) or clause (v) or clause (vi) of sub-section (1) or under clause (i) of sub-section (1A)”, the words, brackets and figures “under clause (ii) of sub-section (1)” shall be substituted.

6. In section 34 of the Income-tax Act, sub-sections (1) and (2) shall be omitted with effect from the 1st day of April, 1988.

Amend-
ment of
section 34.

7. In section 41 of the Income-tax Act, with effect from the 1st day of April, 1988,—

Amend-
ment of
section 41.

(a) sub-sections (2) and (2A) and the *Explanations* thereunder shall be omitted;

(b) in sub-section (4), for the *Explanation*, the following *Explanation* shall be substituted, namely:—

Explanation.—For the purposes of sub-section (3).—

(1) “moneys payable” in respect of any building, machinery, plant or furniture includes—

(a) any insurance, salvage or compensation moneys payable in respect thereof;

(b) where the building, machinery, plant or furniture is sold, the price for which it is sold,

so, however, that where the actual cost of a motor car is, in accordance with the proviso to clause (1) of section 43, taken to be twenty-five thousand rupees, the moneys payable in respect of such motor car shall be taken to be a sum which bears to the amount for which the motor car is sold or, as the case may be, the amount of any insurance, salvage or compensation moneys payable in respect thereof (including the amount of scrap value if any) the same proportion as the amount of twenty-five thousand rupees bears to the actual cost of the motor car to the assessee as it would have been computed before applying the said proviso;

(2) "sold" includes a transfer by way of exchange or a compulsory acquisition under any law for the time being in force but does not include a transfer, in a scheme of amalgamation, of any asset by the amalgamating company to the amalgamated company where the amalgamated company is an Indian company.;

(c) in sub-section (5), the words, brackets, figures and letter "sub-section (2), sub-section (2A)," shall be omitted.

Amend-
ment of
section 43.

8. In section 43 of the Income-tax Act, with effect from the 1st day of April, 1988—

(i) in clause (1),—

(a) in *Explanation 1*, for the words, brackets, figures and letter "clause (i), clause (ii) or clause (iii) of sub-section (1) or sub-section (1A)", the words, brackets and figures "clause (ii) of sub-section (1)" shall be substituted;

(b) for *Explanation 2*, the following *Explanation* shall be substituted, namely:—

'Explanation 2.—Where an asset is acquired by the assessee by way of gift or inheritance, the actual cost of the asset to the assessee shall be the actual cost to the previous owner, as reduced by—

(a) the amount of depreciation actually allowed under this Act and the corresponding provisions of the Indian Income-tax Act, 1922 in respect of any previous year relevant to the assessment year commencing before the 1st day of April, 1988; and

(b) the amount of depreciation that would have been allowable to the assessee for any assessment year commencing on or after the 1st day of April, 1988, as if the asset was the only asset in the relevant block of assets.;

(c) for *Explanation 4*, the following *Explanation* shall be substituted, namely:—

"Explanation 4.—Where any asset which had once belonged to the assessee and had been used by him for the purposes of

his business or profession and thereafter ceased to be his property by reason of transfer or otherwise, is re-acquired by him, the actual cost to the assessee shall be—

(i) the actual cost to him when he first acquired the asset as reduced by—

(a) the amount of depreciation actually allowed to him under this Act or under the corresponding provisions of the Indian Income-tax Act, 1922, in respect of any previous year relevant to the assessment year commencing before the 1st day of April, 1988; and

(b) the amount of depreciation that would have been allowable to the assessee for any assessment year commencing on or after the 1st day of April, 1988, as if the asset was the only asset in the relevant block of assets; or

(ii) the actual price for which the asset is re-acquired by him,

whichever is less.”;

(ii) in clause (6),—

(a) after the proviso, the following clause shall be inserted, namely:—

“(c) in the case of any block of assets,—

(i) in respect of any previous year relevant to the assessment year commencing on the 1st day of April, 1988, the aggregate of the written down values of all the assets falling within that block of assets at the beginning of the previous year and adjusted,—

(A) by the increase by the actual cost of any asset falling within that block, acquired during the previous year; and

(B) by the reduction of the moneys payable in respect of any asset falling within that block, which is sold or discarded or demolished or destroyed during that previous year together with the amount of the scrap value, if any, so, however, that the amount of such reduction does not exceed the written down value as so increased; and

(ii) in respect of any previous year relevant to the assessment year commencing on or after the 1st day of April, 1989, the written down value of that block of assets in the immediately preceding previous year as reduced by the depreciation actually allowed in respect of that block of assets in relation to the said preceding previous year and as further adjusted by the increase or the reduction referred to in item (i).”;

(b) in *Explanation 1*, for the words “any asset”, the words “any asset or any block of assets” shall be substituted;

(c) for *Explanations 2 and 2A*, the following *Explanation* shall be substituted, namely:—

“*Explanation 2*.—Where in any previous year, any block of assets is transferred,—

(a) by a holding company to its subsidiary company or by a subsidiary company to its holding company and the conditions of clause (iv) or, as the case may be, of clause (v) of section 47 are satisfied; or

(b) by the amalgamating company to the amalgamated company in a scheme of amalgamation, and the amalgamated company is an Indian company,

then, notwithstanding anything contained in clause (1), the actual cost of the block of assets in the case of the transferee company or the amalgamated company, as the case may be, shall be the written down value of the block of assets as in the case of the transferor company or the amalgamating company for the immediately preceding previous year as reduced by the amount of depreciation actually allowed in relation to the said preceding previous year.”;

(d) after *Explanation 3*, the following *Explanation* shall be inserted, namely:—

“*Explanation 4*.—For the purposes of this clause, the expressions “moneys payable” and “sold” shall have the same meaning as in the *Explanation* below sub-section (4) of section 41.”.

9. For section 50 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 1988, namely:—

“50. Notwithstanding anything contained in clause (42A) of section 2, where the capital asset is an asset forming part of a block of assets in respect of which depreciation has been allowed under this Act or under the Indian Income-tax Act, 1922, the provisions of sections 48 and 49 shall be subject to the following modifications:—

11 of 1922.

(1) where the full value of the consideration received or accruing as a result of the transfer of the asset together with the full value of such consideration received or accruing as a result of the transfer of any other capital asset falling within the block of assets during the previous year, exceeds the aggregate of the following amounts, namely:—

(i) expenditure incurred wholly and exclusively in connection with such transfer or transfers;

(ii) the written down value of the block of assets at the beginning of the previous year; and

(iii) the actual cost of any asset falling within the block of assets acquired during the previous year,

Substitution of new section for section 50.

Special provision for computation of capital gains in case of depreciable assets.

such excess shall be deemed to be the capital gains arising from the transfer of short-term capital assets;

(2) where any block of assets ceases to exist as such for the reason that all the assets in that block are transferred during the previous year, the cost of acquisition of the block of assets shall be the written down value of the block of assets at the beginning of the previous year, as increased by the actual cost of any asset falling within that block of assets acquired by the assessee during the previous year and the income received or accruing as a result of such transfer or transfers shall be deemed to be the capital gains arising from the transfer of short-term capital assets."

10. In section 80HH of the Income-tax Act, for the *Explanation* below sub-section (10), the following sub-section shall be substituted, namely:—

Amend-
ment of
section
80HH.

'(11) For the purposes of this section, "backward area" means such area as the Central Government may, having regard to the stage of development of that area, by notification in the Official Gazette, specify in this behalf:

Provided that any notification under this sub-section may be issued so as to have retrospective effect to a date not earlier than the 1st day of April, 1983.'

11. In section 80HHC of the Income-tax Act, with effect from the 1st day of April, 1987,—

Amend-
ment of
section
80HHC.

(a) in sub-section (1), for the portion beginning with the words "deduction of an amount" and ending with the words "Provided that", the following shall be substituted, namely:—

"deduction equal to the aggregate of—

(a) four per cent. of the net foreign exchange realisation; and

(b) fifty per cent. of so much of the profits derived by the assessee from the export of such goods or merchandise as exceeds the amount referred to in clause (a):

Provided that the deduction under this sub-section shall not exceed the profits derived by the assessee from the export of such goods or merchandise:

Provided further that";

(b) after sub-section (3) and before the *Explanation*, the following sub-section shall be inserted, namely:—

"(4) The deduction under sub-section (1) shall not be admissible unless the assessee furnishes in the prescribed form, along with the return of income, the report of an accountant, as defined in the *Explanation* below sub-section (2) of section 288, certifying that the deduction has been correctly claimed on the basis of the amount of net foreign exchange realisation as determined in accordance with the Import and Export Policy of the Government of India for the relevant period.";

(c) after clause (b) of the *Explanation*, the following clause shall be inserted, namely:—

‘(c) “net foreign exchange realisation” means the total free on board value of exports out of India of goods and merchandise to which this section applies as reduced by the aggregate of the cost, insurance and freight value of all categories of import licences, to be issued by the Chief Controller of Imports and Exports, Government of India, to which the assessee is entitled during the previous year, either against export obligation or against exports as replenishments.’

**Amend-
ment
of section
139.**

12. In section 139 of the Income-tax Act,—

(a) in sub-section (3), for the portion beginning with the words “within such further time” and ending with the words “in his discretion, allow”, the following shall be substituted with effect from the 1st day of April, 1987, namely:—

“by the thirty-first day of July of the assessment year relevant to the previous year during which the loss was sustained”;

(b) after sub-section (9), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1986, namely:—

“(10) Notwithstanding anything contained in any other provision of this Act, a return of income which shows the total income below the maximum amount which is not chargeable to tax shall be deemed never to have been furnished:

Provided that nothing hereinbefore contained shall apply to,—

(a) a return furnished in response to a notice under sub-section (2) or section 148;

(b) a return of a partner of a firm;

(c) a return of a person who has claimed exemption of income from property held for charitable or religious purposes;

(d) a return of loss which has been furnished before the thirty-first day of July of the assessment year relevant to the previous year during which the loss was sustained;

(e) a return furnished under sub-section (4B) in respect of a political party; and

(f) a return furnished in support of a claim for refund under section 237.”

**Amend-
ment
of section
220.**

13. In section 220 of the Income-tax Act, in sub-section (2A),—

(a) in the opening portion, for the words “the Board may” and “on the recommendation made by the Commissioner in this behalf, it is satisfied”, the words “the Commissioner may” and “he is satisfied” shall, respectively, be substituted with effect from the 1st day of April, 1987;

(b) for the words "interest payable by an assessee", "would cause genuine hardship" and "interest was payable", the words "interest paid or payable by an assessee", "has caused or would cause genuine hardship" and "interest has been paid or was payable" shall, respectively, be substituted and shall be deemed to have been substituted with effect from the 1st day of October, 1984.

14. In section 221 of the Income-tax Act, in sub-section (1), for the second proviso, the following proviso shall be substituted, namely:—

Amendment of section 221.

"Provided further that where the assessee proves to the satisfaction of the Income-tax Officer that the default was for good and sufficient reasons, no penalty shall be levied under this section."

15. In section 245B of the Income-tax Act,—

Amendment of section 245B.

(a) in sub-section (2), for the words "and two other members", the words "and as many Vice-Chairmen and other members as the Central Government thinks fit" shall be substituted;

(b) sub-section (2A) shall be omitted;

(c) in sub-section (3),—

(i) in the opening portion, after the word "Chairman", the word "Vice-Chairmen" shall be inserted;

(ii) in the first proviso, after the word "Chairman", the word "Vice-Chairman" shall be inserted;

(iii) the second proviso shall be omitted.

16. In section 245D of the Income-tax Act, sub-section (5) shall be omitted.

Amendment of section 245D.

17. In section 245F of the Income-tax Act, for sub-section (5), the following sub-sections shall be substituted, namely:—

Amendment of section 245F.

"(5) The powers or functions of the Settlement Commission may be exercised or discharged by Benches constituted by the Chairman of the Settlement Commission from amongst the members thereof.

(6) A Bench constituted under sub-section (5) shall consist of three members, one of whom shall be the Chairman or a Vice-Chairman.

(7) The Settlement Commission shall, subject to the provisions of this Chapter, have power to regulate its own procedure and the procedure of Benches thereof in all matters arising out of the exercise of its powers or of the discharge of its functions, including the places at which the Benches shall hold their sittings."

18. In section 270 of the Income-tax Act, the words "without reasonable excuse" shall be omitted.

Amendment of section 270.

19. In section 271 of the Income-tax Act, in sub-section (1),—

Amendment of section 271.

(a) the words "without reasonable cause", wherever they occur, shall be omitted;

(b) in *Explanation 1*,—

(i) in clause (B), for the words “not able to substantiate,” the words “not able to substantiate and fails to prove that such explanation is *bona fide* and that all the facts relating to the same and material to the computation of his total income have been disclosed by him,” shall be substituted;

(ii) the proviso shall be omitted;

(c) in *Explanation 5*, for the portion beginning with the words “unless such income is” and ending with the words “before the said date”, the following shall be substituted, namely:—

“unless,—

(1) such income is, or the transactions resulting in such income are recorded,—

(i) in a case falling under clause (a), before the date of the search; and

(ii) in a case falling under clause (b), on or before such date,

in the books of account, if any, maintained by him for any source of income or such income is otherwise disclosed to the Commissioner before the said date; or

(2) he, in the course of the search, makes a statement under sub-section (4) of section 132 that any money, bullion, jewellery or other valuable article or thing found in his possession or under his control, has been acquired out of his income which has not been disclosed so far in his return of income to be furnished before the expiry of time specified in clause (a) or clause (b) of sub-section (1) of section 139, and also specifies in the statement the manner in which such income has been derived and pays the tax, together with interest if any, in respect of such income.”

Amend-
ment of
section
271A.

20. In section 271A of the Income-tax Act, the words “, without reasonable cause,” shall be omitted.

Amend-
ment of
section
271B.

21. In section 271B of the Income-tax Act, the words “, without reasonable cause,” shall be omitted.

Amend-
ment of
section
272A.

22. In section 272A of the Income-tax Act, in sub-section (2), the words “, without reasonable cause or excuse,” shall be omitted.

Amend-
ment of
section
272AA.

23. In section 272AA of the Income-tax Act, in sub-section (1), the words “, without reasonable cause,” shall be omitted.

Amend-
ment of
section
272B.

24. In section 272B of the Income-tax Act, in sub-section (1), the words “, without reasonable cause,” shall be omitted.

25. In section 273 of the Income-tax Act, the words "without reasonable cause", wherever they occur, shall be omitted.

Amendment of section 273.

26. After section 273A of the Income-tax Act, the following section shall be inserted, namely:—

Insertion of new section 273B.

"273B. Notwithstanding anything contained in the provisions of section 270, clause (a) or clause (b) of sub-section (1) of section 271, section 271A, section 271B, sub-section (2) of section 272A, sub-section (1) of section 272AA, sub-section (1) of section 272B or clause (b) sub-section (1) or clause (b) or clause (c) of sub-section (2) of section 273, no penalty shall be imposable on the person or the assessee, as the case may be, for any failure referred to in the said provisions if he proves that there was reasonable cause for the said failure."

Penalty not to be imposed in certain cases.

27. In sections 276A, 276AB, 276B, 276DD and 276E, the words "without reasonable cause or excuse," shall be omitted

Amendment of sections 276A, 276AB, 276B, 276DD and 276E.

28. After section 278A of the Income-tax Act, the following section shall be inserted, namely:—

Insertion of new section 278AA.

"278AA. Notwithstanding anything contained in the provisions of section 276A, section 276AB, section 276B, section 276DD or section 276E, no person shall be punishable for any failure referred to in the said provisions if he proves that there was reasonable cause for such failure."

Punishment not to be imposed in certain cases.

29. In the Income-tax Act, after section 278D, the following section shall be inserted, namely:—

Insertion of new section 278E.

"278E. (1) In any prosecution for any offence under this Act which requires a culpable mental state on the part of the accused, the court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.

Presumption as to culpable mental state.

Explanation.—In this sub-section, "culpable mental state" includes intention, motive or knowledge of a fact, or belief in, or reason to believe, a fact.

(2) For the purposes of this section, a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability."

Omission
of the
Eighth
Schedule.

30. In the Income-tax Act, the Eighth Schedule shall be omitted and shall be deemed to have been omitted with effect from the 1st day of April, 1984.

Omission
of the
Ninth
Schedule.

31. In the Income-tax Act, the Ninth Schedule shall be omitted with effect from the 1st day of April, 1988.

Conse-
quential
amend-
ments.

32. The following amendments (being amendments of a consequential nature) shall be made in the Income-tax Act with effect from the 1st day of April, 1988, namely:—

(a) in section 32A, in sub-section (2), in the *Explanation*, for clause (1), the following clause shall be substituted, namely:—

'(1) (a) "new ship" or "new aircraft" includes a ship or aircraft which before the date of acquisition by the assessee was used by any other person, if it was not at any time previous to the date of such acquisition owned by any person resident in India;

(b) "new machinery or plant" includes machinery or plant which before its installation by the assessee was used outside India by any other person, if the following conditions are fulfilled, namely:—

(i) such machinery or plant was not, at any time previous to the date of such installation by the assessee, used in India;

(ii) such machinery or plant is imported into India from any country outside India; and

(iii) no deduction on account of depreciation in respect of such machinery or plant has been allowed or is allowable under the provisions of the Indian Income-tax Act, 1922 or this Act in computing the total income of any person for any period prior to the date of the installation of the machinery or plant by the assessee.'

11 of 1922.

(b) in section 35,—

(1) in sub-section (2),—

(i) in clause (iv), for the words, brackets, figures and letters "clauses (i), (ii), (ia), (iii) and (iv) of sub-section (1) or under sub-section (1A)", the words, brackets and figures "clause (ii) of sub-section (1)" shall be substituted;

(ii) in clause (v), for the words, brackets and figures "clauses (i), (ii) and (iii) of sub-section (1)", the words, brackets and figures "clause (ii) of sub-section (1)" shall be substituted;

(2) in sub-section (2B), in clause (c), for the words, brackets, figures and letters "clauses (i), (ii), (ia) and (iii) of sub-section (1) or under sub-section (1A)", the words, brackets and figures "clause (ii) of sub-section (1)" shall be substituted;

(c) in section 38, in sub-section (2), for the words, brackets, figures and letters "clauses (i), (ii), (iia) and (iii) of sub-section (1) and sub-section (1A)", the words, brackets and figures "clause (ii) of sub-section (1)" shall be substituted;

(d) in section 55, in sub-section (1),—

(i) for the words and figures "sections 48, 49 and 50", the words and figures "sections 48 and 49" shall be substituted;

(ii) clause (a) shall be omitted;

(e) in section 57, in clause (ii),—

(i) the brackets, figure and letter ", (1A)" shall be omitted;

(ii) for the words and figures "sections 34 and 38", the word and figures "section 38" shall be substituted;

(f) in section 59, sub-sections (2) and (3) and the *Explanation* occurring thereunder shall be omitted;

(g) in section 155, in the *Explanation* below sub-section (4A), for the words, brackets and figures "*Explanation* to clause (vi) of sub-section (1) of section 32", the words, brackets, figures and letter "*Explanation* below sub-section (2) of section 32A" shall be substituted.

CHAPTER III

AMENDMENTS TO THE WEALTH-TAX ACT, 1957

27 of 1957.

32. In section 18 of the Wealth-tax Act, 1957 (hereafter in this Chapter referred to as the Wealth-tax Act),—

Amendment of section 18.

(a) the words "without reasonable cause", wherever they occur, shall be omitted;

(b) in sub-section (1),—

(i) after clause (iii) and before *Explanation 1*, the following proviso shall be inserted, namely:—

"Provided that in the cases referred to in clause (a) or clause (b), no penalty shall be imposed if the person proves that there was reasonable cause for the failure referred to in those clauses.";

(ii) in *Explanation 2*,—

(1) in clause (B), for the words "not able to substantiate," the words "not able to substantiate and fails to prove that such explanation is *bona fide* and that all the facts relating to the same and material to the computation of his net wealth have been disclosed by him," shall be substituted;

(2) the proviso shall be omitted;

(iii) in *Explanation 5*, for the portion beginning with the words "unless such assets are recorded" and ending with the

words "before the said date", the following shall be substituted, namely:—

"unless—

(1) such assets are recorded,—

(i) in a case falling under clause (a), before the date of the search; and

(ii) in a case falling under clause (b), on or before such date,

in the books of account, if any, maintained by him or such assets are otherwise disclosed to the Commissioner before the said date; or

(2) he, in the course of the search, makes a statement under sub-section (4) of section 37A that any money, bullion, jewellery or other valuable article or thing found in his possession or under his control, forms part of his net wealth which has not been disclosed so far in his return of net wealth to be furnished before the expiry of the time specified in sub-section (1) of section 14, and also specifies in the statement the manner in which such net wealth has been acquired and pays the tax, together with interest if any, in respect of such net wealth."

Amend-
ment of
section
18A.

34. In section 18A of the Wealth-tax Act, in sub-section (2),—

(i) the words "without reasonable cause," shall be omitted;

(ii) the following proviso shall be inserted at the end, namely:—

"Provided that no penalty shall be imposable under this sub-section, if the person proves that there was reasonable cause for the said failure."

Amend-
ment of
section
22B.

35. In section 22B of the Wealth-tax Act,—

(a) in sub-section (2), for the words "and two other members", the words "and as many Vice-Chairmen and other members as the Central Government thinks fit" shall be substituted;

(b) sub-section (2A) shall be omitted;

(c) in sub-section (3),—

(i) in the opening portion, after the word "Chairman", the word "Vice-Chairman" shall be inserted;

(ii) in the first proviso, after the word "Chairman", the word "Vice-Chairman" shall be inserted;

(iii) the second proviso shall be omitted.

Amend-
ment of
section
22D.

36. In section 22D of the Wealth-tax Act, sub-section (5) shall be omitted.

37. In section 22F of the Wealth-tax Act, for sub-section (5), the following sub-sections shall be substituted, namely:—

Amend-
ment of
section
22 F.

"(5) The powers or functions of the Settlement Commission may ~~be~~ exercised or discharged by Benches constituted by the Chairman of the Settlement Commission from amongst the members thereof.

(6) A Bench constituted under sub-section (5) shall consist of three members, one of whom shall be the Chairman or a Vice-Chairman.

(7) The Settlement Commission shall, subject to the provisions of this Chapter, have power to regulate its own procedure and the procedure of Benches thereof in all matters arising out of the exercise of its powers or of the discharge of its functions, including the places at which the Benches shall hold their sittings."

38. In section 35EE of the Wealth-tax Act,—

Amend-
ment of
section
35EE.

(i) the words "without reasonable cause or excuse," shall be omitted;

(ii) the following proviso shall be inserted at the end, namely:—

"Provided that no person shall be punishable under this section if he proves that there was reasonable cause or excuse for the said failure."

39. After section 35N of the Wealth-tax Act, the following section shall be inserted, namely:—

Insertion
of new
section
35-O.

'35-O. (1) In any prosecution for any offence under this Act which requires a culpable mental state on the part of the accused, the court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.

Presump-
tion as to
culpable
mental
state.

Explanation.—In this sub-section, "culpable mental state" includes intention, motive or knowledge of a fact, or belief in, or reason to believe, a fact.

(2) For the purposes of this section, a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.'

CHAPTER IV

AMENDMENTS TO THE GIFT-TAX ACT, 1958

18 of 1958.

40. In section 17 of the Gift-tax Act, 1958 (hereafter in this Chapter referred to as the Gift-tax Act), in sub-section (1),—

Amend-
ment of
section 17.

(i) the words "without reasonable cause", wherever they occur, shall be omitted;

(ii) the following proviso shall be inserted at the end, namely:—

“Provided that in the cases referred to in clause (a) or clause (b), no penalty shall be imposable if the person proves that there was reasonable cause for the failure referred to in those clauses.”.

Insertion
of new
section
35D.

41. In the Gift-tax Act, after section 35C, the following section shall be inserted, namely:—

Presump-
tion as to
culpable
mental
state.

‘35D. (1) In any prosecution for any offence under this Act which requires a culpable mental state on the part of the accused, the court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.

Explanation.—In this sub-section, “culpable mental state” includes intention, motive or knowledge of a fact, or belief in, or reason to believe, a fact.

(2) For the purposes of this section, a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.’.

CHAPTER V

MISCELLANEOUS

Housing
and
Urban
Develop-
ment
Corpora-
tion Ltd.
to be
exempted
for a
certain
period
from
liability
to pay
income-
tax and
surtax.

42. Notwithstanding anything contained in the Income-tax Act, 1961 or the Companies (Profits) Surtax Act, 1964, the Housing and Urban Development Corporation Ltd. (a Government company as defined in section 617 of the Companies Act, 1956) shall not be liable to pay any tax—

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(a) on its income for the previous year relevant to the assessment year commencing on the 1st day of April, 1986 and for the four previous years next following that previous year; and

(b) on chargeable profits for the previous years relevant to the assessment years commencing on the 1st day of April, 1986 and the 1st day of April, 1987.

STATEMENT OF OBJECTS AND REASONS

The Bill proposes to amend the Income-tax Act, 1961, the Wealth-tax Act, 1957, the Gift-tax Act, 1958 and to provide exemption to a Government company from income-tax and surtax for a limited period. These amendments are intended mainly to implement certain proposals included in the Long Term Fiscal Policy, the Budget Speech for 1986-87 and certain announcements made in the Lok Sabha on the 5th May, 1986.

The amendments to the direct tax laws are proposed to be made for the following purposes, namely:—

- (a) to empower the Central Government to exempt by notification certain allowances received by the Members of Parliament and of the State Legislatures;
- (b) to enable a taxpayer deriving any profits or gains from an industrial undertaking in any free trade zone to avail of the existing tax holiday of five years, at any time within a time frame of eight years beginning from the year in which the industrial undertaking commences production;
- (c) to introduce a system of allowing depreciation in respect of blocks of assets in place of the present system of depreciation on individual assets;
- (d) to empower the Central Government to declare by notification any area as "backward area" for the purposes of tax holiday;
- (e) to provide that the deduction in respect of profits retained for export business will be equal to the aggregate of the four per cent. of the net foreign exchange realisation and fifty per cent. of the remaining export profits subject to the condition that the deductions shall not exceed the export profits;
- (f) to provide, with certain exceptions, that a return showing income below the taxable limit shall be deemed never to have been furnished and to deny the benefit of carry forward of losses in a case where the return is furnished after the 31st July in the relevant year;
- (g) to delegate to the Commissioner of Income-tax the existing powers of the Central Board of Direct Taxes to reduce or waive interest paid or payable for late payment or non-payment of taxes subject to the fulfilment of certain conditions;
- (h) to enable the Central Government to reorganise the Settlement Commission so that it may consist of a Chairman and as many Vice-Chairmen and members as it thinks fit;
- (i) to remove weaknesses in the provisions in the direct tax laws in respect of penalties and prosecutions so as to shift the burden of proof on the assessee and to provide that once the evasion of tax is proved, the intention to evade need not be proved by the Income-tax Department;

- (j) to remove an anomaly in the existing provisions in respect of cases where penalty is imposable for concealment of income even if the taxpayer has no intention to fabricate evidence or to conceal his undisclosed income after search and seizure;
- (k) to continue the exemption to the Housing and Urban Development Corporation Limited from the payment of income-tax and surtax for a limited period.

The Bill seeks to achieve the above objects.

NEW DELHI;

VISHWANATH PRATAP SINGH.

13th August, 1986.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 AND 274
OF THE CONSTITUTION OF INDIA

[Copy of letter No. 155/57/86-TPL, dated the 13th August, 1986 from Shri Vishwanath Pratap Singh to the Secretary-General, Lok Sabha].

The President, having been informed of the subject matter of the proposed Bill, further to amend the Income-tax Act, 1961, Wealth-tax Act, 1957, Gift-tax Act, 1958 and exempt the total income and chargeable profits of the Housing and Urban Development Corporation Limited from income-tax and surtax respectively, has recommended under article 117(1) and article 274(1) of the Constitution of India, introduction and also consideration under article 117(3) of the Taxation Laws (Amendment and Miscellaneous Provisions) Bill, 1986, in Lok Sabha.

FINANCIAL MEMORANDUM

Clauses 15 and 35 of the Bill seek to amend section 245B of the Income-tax Act, 1961 and section 22B of the Wealth-tax Act, 1957, respectively, to enable the Central Government to reorganise the Income-tax Settlement Commission and the Wealth-tax Settlement Commission by appointing a Chairman and as many Vice-Chairmen and members as it thinks fit.

2. Clauses 17 and 37 of the Bill seek to empower the Chairman of the Income-tax Settlement Commission and the Wealth-tax Settlement Commission to constitute Benches to discharge the functions of the said Settlement Commission. Each Bench will consist of three members.

3. The implementation of the said provisions will call for the appointment of additional officers and staff. The expenditure likely to be involved in the first year on addition of one more Bench consisting of a Vice-Chairman and two members is estimated at rupees five lakhs as recurring expenditure and rupees three lakhs as non-recurring expenditure.

4. The Bill does not involve any other expenditure of a recurring or non-recurring nature.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 5(1)(b) of the Bill seeks to empower the Central Government to prescribe percentage on the written down value of any block of assets which may be allowed as a deduction under section 32 of the Income-tax Act, 1961. Clause 11(b) of the Bill seeks to insert sub-section (4) in section 80HHC whereunder the Central Government is proposed to be empowered to prescribe the form in which the accountant will give the report regarding the claim by the assessee of the amount of any foreign exchange realisation. The matters in respect of which rules may be made by the Central Government are matters of administrative detail.

2 The delegation of legislative power is, therefore, of a normal character.

SUBHASH C. KASHYAP,
Secretary-General.